



\$16B City Planned for Outskirts of Mumbai

By Brian K. Miller

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MUMBAI, INDIA-Vancouver, BC-based infrastructure company Royal Indian Raj International Corp. has partnered with the New York-based investment bank Greenwich Group International in order to secure \$1 billion in debt and equity for the development of new cities outside India's largest cities. A RIRIC source tells GlobeSt.com that after being rebuffed in Bangalore it appears the first Royal Garden City will be developed near Mumbai. "In US terms, we're talking about a major suburb where 300,000 to 500,000 people will live and work on a daily basis," says an RIRIC source contacted Thursday in Mumbai. "We will be selling it as 'get the hell away from Mumbai and come live in this bright, clean, modern city that is completely Web-enabled.'" The planned city near Mumbai would cover 5,000 acres and cost between \$6 billion and \$12 billion to develop, according to the source. "It will create 10,000 new jobs directly and another 40,000 on an indirect basis, let alone billions and billions in tax revenue for the state, which is why we can't understand why Bangalore is so business unfriendly," he says. Earlier this year, RIRIC announced plans for a 6,000-acre Royal Garden City near Bangalore's new international airport. The \$9-billion first phase called for 145 million sq.ft. of built space on 3,000 acres, including 35,000 residential units, a CBD, industrial, entertainment and cultural districts, educational facilities, civic amenities and parks. Dubbed the first modern "Smart City" in India, it was to include captive electrical generation, modern water and sewage treatment plants and advanced water recycling and harvesting. The project was to get under way this fall and be completed in phases by 2015. "We spent at least a year and millions of dollars and were all set to go," the RIRIC source tells GlobeSt.com. "Essentially, the state government pulled out land into their special airport zone, so we had to start all over." As a result, it appears a 5,000-acre, \$16-billion version of the Bangalore project is headed for the outskirts of Mumbai. "It really depends on what state steps up first and paves the way by relaxing or expediting the permitting and permissions process," says the RIRIC source. "Right now, it looks like that's going to be [the state that encompasses] Mumbai." Wherever the first Royal Garden City ends up, the endeavor would be the largest foreign direct investment in India, which became a fully free market economy in 2001. "With the Indian real estate sector in transition and recent landmark legislation allowing foreign direct investment in real estate, the opportunity for participation in this formerly closed market is heightening," said RIRIC chief executive Manoj Benjamin in a press conference this morning in Mumbai. "The opportunity remains significant in light of RIRIC's first-to-market advantage...and India's 80-to-100-million unit housing shortage and colossal infrastructure demands."

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